

ICMA response to the HKEX Consultation Paper on Accelerated Settlement in the Hong Kong Cash Market

15 May 2026

Introduction:

ICMA welcomes the opportunity to respond to the HKEX Consultation Paper on Accelerated Settlement in the Hong Kong Cash Market published on 17 April 2026.

ICMA promotes well-functioning cross-border capital markets, which are essential to fund sustainable economic growth. It is a not-for-profit membership association serving around 630 members in 71 jurisdictions globally. Its members include private and public sector issuers, banks and securities dealers, asset and fund managers, insurance companies, law firms, capital market infrastructure providers and central banks. ICMA provides industry-driven standards and recommendations, prioritising three core fixed income market areas: primary, secondary and repo and collateral, with cross-cutting themes of sustainable finance and FinTech and digitalisation. ICMA works with regulatory and governmental authorities, helping to ensure that financial regulation supports stable and efficient capital markets.

Consultation Question 1:

Do you support the proposed arrangements under the T+1 settlement cycle across the Cash Market trade lifecycle? In particular, please comment on:

(a) Trade amendment

(b) Post Trade

(c) Risk management

(d) Other processes, including reporting, corporate actions, stock conversion arrangement and stamp duty arrangement

Please give reasons for your views.

Q1(a). Do you support the proposed arrangements on trade amendment under the T+1 settlement cycle across the Cash Market trade lifecycle?

ICMA response:

[No comment.](#)

Q1(b). Do you support the proposed arrangements on post trade under the T+1 settlement cycle across the Cash Market trade lifecycle?

ICMA response:

[No comment.](#)

Q1(c). Do you support the proposed arrangements on risk management under the T+1 settlement cycle across the Cash Market trade lifecycle?

ICMA response:

[No comment.](#)

Q1(d). Do you support the proposed arrangements on other processes (including reporting, corporate actions, stock conversion arrangement and stamp duty arrangement) under the T+1 settlement cycle across the Cash Market trade lifecycle?

ICMA response:

[No comment.](#)

Consultation Question 2:

Do you have any comments on the assessment of the implications for Exchange Traded Products (ETPs) and Stock Options under the proposed T+1 settlement cycle? In particular, please comment on:

- **Guiding principles for the ETP primary market;**
- **Buy-in considerations for ETPs; and**
- **Stock options (including exercise and assignment).**

ICMA response:

No comment.

Consultation Question 3:

Do you have any comments that consequential amendments should be made to the Listing Rules to reflect the arrangements proposed under the T+1 operating model?

ICMA response:

No comment.

Consultation Question 4:

In assessing your circumstances for a T+1 transition, are there any other key topics, perspectives or types of market participants which you believe are relevant to highlight, that have not been covered in Exhibit 1 and paragraphs 110-113?

ICMA response:

ICMA welcomes HKEX's consultation on the proposed accelerated settlement model and notes that the proposed T+1 settlement cycle would apply to secondary market exchange trades, including debt securities. In addition to the topics set out in Exhibit 1 and paragraphs 110–113, we highlight the following fixed income–specific perspectives and categories of market participant that we believe are relevant when assessing market circumstances and readiness for a T+1 transition.

1) Exchange-traded vs OTC: context for debt securities within the proposed scope Secondary bond trading in Hong Kong is conducted predominantly in the OTC market and other non-exchange trading venues, with only a small proportion executed on the Stock Exchange of Hong Kong (SEHK). The Report of the Steering Committee on Bond Market Development in Hong Kong published in August 2022 notes that in 2021 total trading of debt securities on SEHK was HK\$104 billion, while total trading of the Hong Kong bond market was around HK\$2,770 billion, indicating over 95% of bond trading was conducted OTC and on other non-exchange trading venues (i.e., ~5% or less on-exchange). Accordingly, although exchange-traded debt securities are included within the proposed T+1 scope, the consultation's exchange-traded focus captures only a limited subset of overall secondary bond market activity (by turnover), and the operational and cost/benefit implications for fixed income participants may differ from those for equities.

2) Settlement infrastructure segmentation: CCASS/HKSCC vs CMU (HKMA) — and key interface points In Hong Kong's fixed income ecosystem, debt securities settlement and custody is commonly conducted through the Central Money Markets Unit (CMU), HKMA's debt securities settlement system, which provides clearing/custody and delivery versus payment (DvP) capabilities for debt instruments. However, it is important to note that there are defined interface points between CCASS/HKSCC and CMU that may be relevant for participants who need to coordinate securities movements and operational cut offs across both systems. These linkages mean that, for certain debt related instruments and flows, some firms' end to end processing may straddle both CCASS and CMU touchpoints, and any timetable compression under a T+1 model may therefore warrant particular attention to cross system cut off alignment and operational readiness for those participants.

3) Repo and CMU: likely out-of-scope, but helpful “non-impact” clarity ICMA is of the view that repo is not a primary focus of this consultation, which is framed around secondary market exchange trades and their post trade arrangements. Given CMU’s role in Hong Kong’s debt securities ecosystem, including services relevant to repo and collateralised arrangements, it could nonetheless be helpful for implementation certainty if HKEX can clearly communicate in its conclusions and/or implementation guidance that the proposed exchange traded T+1 transition does not alter arrangements for CMU settled debt and repo market activity.

Consultation Question 5:

Do you consider the timeframe to be sufficient for you to prepare for T+1 to become effective in Q4 2027, given the advance visibility and lead time provided? Do you have any comments on the discussion and implementation approach?

ICMA response:

No comment.

Supplemental Question A:

Do you agree that the proposed workflow tool solution (as set out in Exhibit 2) would facilitate the implementation of a shortened settlement cycle under T+1?

Please give reason for your views.

ICMA response:

No comment.

Supplemental Question B:

Would you consider adopting the following components described in the proposed streamlined workflow under Exhibit 2 to better prepare for the T+1 implementation?

- **Matching**
- **Centralised SSI Repository**
- **SI Automation**
- **Dashboard for MIS**

Please give reasons for your views and share your considerations relevant to your decision.

ICMA response:

No comment.
